

**BEFORE**  
**THE PUBLIC SERVICE COMMISSION OF**  
**SOUTH CAROLINA**  
**DOCKET NO. 2013-42-S**

IN RE: )  
Application of Palmetto Utilities, )  
Inc. for adjustment of rates and charges )  
for and modifications to certain )  
terms and conditions related to )  
the provision of service. )  
\_\_\_\_\_ )

**AFFIDAVIT OF IVANA C.**  
**GEARHEART**

Before me personally appeared Ivana C. Gearheart who, after being duly sworn, deposes and says as follows:

1. I am a citizen and resident of the State of South Carolina and am in excess of eighteen years of age. I am employed as an Auditor by the South Carolina Office of Regulatory Staff ("ORS") and have been so employed since June, 2011.

2. In my capacity as Auditor, I conducted an audit of the books and records of Palmetto Utilities, Inc. ("PUI") in connection with the above-captioned proceeding. I examined the expenses incurred by PUI which were directly related to this proceeding. These expenses include, but are not limited to, legal expenses, expert witness fees, mailing and notification expenses, travel and miscellaneous labor and overhead charges.

3. After examining documentation supplied by PUI in support of these expenses, I verified that PUI incurred rate case expenses, amortized over 3 years, of \$66,845 a year plus \$19,856 in unamortized expenses from PUI's last rate case. The final annual rate case expenses

of \$66,018 annually result from the \$86,701 in annual expenses minus a per book amount of \$20,683.

4. It is my opinion and belief that these expenses are reasonable and were prudently incurred in bringing this proceeding to a conclusion.

5. If the total expenses referred to above are allowed in the above-captioned matter, the operating margin resulting from the additional revenue agreed to by PUI and ORS would be 17.98%

FURTHER AFFIANT SAYETH NOT

Ivana C. Gearheart

Ivana C. Gearheart

Sworn and subscribed to before me  
this 26 day of AUGUST, 2013

Faith Shehane

Notary Public for South Carolina

My commission expires: \_\_\_\_\_

**FAITH SHEHANE**

**Notary Public, State of South Carolina**

**My Commission Expires 8/1/2022**

IN RE: Application of Palmetto Utilities, ) **CERTIFICATE OF**  
Incorporated for Adjustment of Rates and ) **SERVICE**  
Charges for Sewer Service )

John M.S. Hoefer, Esquire  
Benjamin P. Mustian, Esquire  
Willoughby & Hoefer, P.A.  
Post Office Box 8416  
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Faith Shehane  
Faith E. Shehane

August 26, 2013  
Columbia, South Carolina